



TenStep Supplemental Paper

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Customer Loyalty

Improving customer loyalty- the mantra of successful business

Key Learnings:

- Realize the importance of customer loyalty
- Identify the ways of improving customer loyalty
- Explain what RPM is

In the current competitive business world, manufacturers have no choice but ensure customer loyalty. One prime factor in building customer loyalty is to promptly address and satisfy customer needs. Some manufacturers accomplish this by customizing their products as per customer needs, while some others improve after-sales service. Customizing products might, however, become difficult for certain companies like Babcock and Wilcox Co., where every customer has unique requirements. How do Babcock and Wilcox Co. improve customer loyalty in an ongoing manner?

Based in Barberton, Ohio, Babcock and Wilcox Co. is a manufacturer of power generation and environmental cleanup equipment. The company had to customize its products as per the customer's facility layout specifications and unique engineering processes. It took a considerably long time for the engineers to come up with the design and thus the bidding process often got delayed. During this time period another competitor could easily win the bid.

Another aspect delaying the design process at the company was that design know-how was the embodiment of senior design engineers. These engineers had an inkling of what would be the right answers. Thus, the personal design knowledge limited how the company developed proposals. This in turn led to loss of business.

In order to improve its business and provide better service to customers, the company implemented a Rules-driven Product Management (RPM) system.

What is Rules-driven Product Management (RPM) system?

RPM is knowledge-management software that enables capture of information regarding the manner in which products should be designed. It can also help in manufacturing and sales processes. For this it integrates the information in a systematic manner. Information that is captured is referred to as 'rule' and hence the name Rules-driven Product Management.

A 'rule' is any thought that can be quantified. In short, if a particular design engineer can express some data such that another design engineer can understand then it can be considered as a rule. These rules are available to all design engineers and hence they accelerate the design process. RPM is an integral part of a Product Lifecycle Management (PLM) environment. Hence, it is able to ensure efficiency and consistency in its applications.



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Babcock and Wilcox Co. had to design wet scrubbers for utility companies. Scrubbers are equipment that remove sulfur dioxide from combustion gases using chemical reaction. The company works with RuleStream, provider of RPM to accelerate the designing process.

Design engineers at Babcock were able to reduce the number of design iterations with the aid of RPM. The time taken to design the entire equipment is reduced drastically. For instance, the design engineers are able to make the initial design of the spray header of the scrubber in minutes instead of several hours earlier. They have been able to accomplish this by using 'rules' and 3D CAD tool SolidWorks provided. The 3D tool helps them to view the 3D model of the initial design.

Another advantage of developing the core design in a short time is that the company can analyze other aspects like material sourcing and installation details. Earlier, it had to make rough estimates based on prior designs. Initially, the engineers took time to develop the rules. Eventually, RPM has assisted the company to meet customer requirements promptly. Thereby, the company has been able to build customer loyalty.

Improved customer service

Another way to win customer loyalty is to improve customer service. For instance, BT Industries, a lift-truck manufacturer, counts on better customer service to increase its customer base and improve customer loyalty. The company is always on the look out for innovative ways to offer value-added services to its customers. A remarkable initiative has been the deployment of mobile service management solution called Movex Enterprise provided by Inentia. It is a handheld solution used by nearly 1500 technicians working in more than 10 European countries.

Among the many solutions that this service offers are regular alert messages to technicians regarding maintenance schedules, online parts ordering and other real time information. The new solution has also helped the company save administrative costs and provide quality service, as the information is accurate and updated.

Customer Relationship Management

Conducting a market survey alone does not help to develop effective customer solutions. Instead, companies should focus on studying their customer's entire enterprise rather than focus on specific product lines. While some companies have developed technology-driven processes like Customer Relationship Management (CRM) systems, others have improved their marketing strategies and involved marketing in the design and account-planning sessions.

The art of retaining customers is an arduous task. Gathering and sharing of information about customers is thus vital for improving customer loyalty. The customer now has access to varied information, and numerous competitors and product choices are hardly a click away. Customer Relationship Management (CRM) is the odds-on favorite to win the game.